Business Management Research Proposal –

Higher Level

How can Visume reduce its

employee attrition rate?

(Visume)

Word count:

Research Proposal: 466 (including information in Gantt Chart image)

<div align="center">**Research Proposal**</div>

Research Question

How can Visume reduce its employee attrition rate?

Rationale

Visume is a cloud-based start-up company that provides HR solutions to enterprises to enhance the recruitment process by using Robotic Process Automation (RPA) and Artificial Intelligence (AI). Being a start-up, Visume faces challenges of employee attrition (Grover, Introductory Interview). The aim of this proposed study is to analyse, evaluate and recommend the methods Visume can adopt to reduce its employee attrition, hereby contributing towards its growth and well-motivated employees.

Theoretical Framework

The analysis will be supported using non-financial business tools like *Fishbone Diagram* to identify the root causes behind employee attrition, and potential methods that can be used to reduce attrition will be analsyed from the perspective of certain *Motivational Theories*. A *SWOT Analysis* of Visume will be included in the Appendix to give an overview of Visume's internal and external environment.

Syllabus Content[1]

- Introduction to Business Management

- Organisational Objectives

- Organisational Planning Tools

- Functions and Evolution of Human Resource Management

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[1] Hoang, Paul. *Business Management 3rd Edition*. 3rd ed., Victoria, Australia, IBID Press, 2014, pp. 1–191.

- Organisational Culture

- Leadership and Management

- Motivation

Methodology

Primary Research

- Series of interviews with CEO of Visume, Mr Parag Grover, to understand background of the company and the problem of employee attrition it faces.

- Online surveys with employees of Visume to identify their perspectives on the company, its policies, leadership, and motivation at the workplace.

Secondary Research

- Statistical information relating to employee attrition such as attrition rates.

- Visume's website to get an overview of the company.

- Visume's organisational charts.

Difficulties likely to be encountered & Possible Solutions

Difficulties	Possible Solutions
Research question was too generalised	Consulted with supervisor for feedback and guidance on framing research question
Small size of sample for conducting online surveys of employees	Ensured regular communication with CEO requesting to help in encouraging employees to participate in survey
Biased opinions and perspectives in online surveys	Ensured to keep surveyed employees anonymous. Used a balance of open and

	close ended questions for comfortable responses
Incorrect analysis using business tools	Sought guidance and support of supervisor

Action Plan

Task	2020												2021
Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
Permission from CEO to work on company	■												
Create Introductory Interview Questionnaire		■											
Introductory Telephonic Interview with CEO		■											
Research question formulation		■											
Discuss questions with supervisor			■										
Create Questionnaire 1 on employee attrition			■										
Conduct Questionnaire 1 CEO Interview			■										
Finalising research question with supervisor			■										
Begin writing research proposal			■										
Create Questionnaire 2 for online survey				■									
Writing Introduction, methodology and interpreting survey for fishbone diagram				■	■								
Complete Research Project with Analysis, Discussion, Conclusion & Recommendations							■						
Submission and feedback on first draft								■					
Incorporating feedback, plagiarism check and submitting final draft										■	■	■	

Business Management Internal Assessment –

Higher Level

How can Visume reduce its

employee attrition rate?

(Visume)

Word Count:

Executive Summary: 199

Written Report: 1,995 (including explanatory footnotes)

Acknowledgements

Table of Contents

Executive Summary

Visume offers HR solutions to enterprises, helping with recruitment processes using its cloud-based business model. As a start-up, formed in July 2018, it faces issues of employee attrition, specifically in technology function. Therefore, the aim of this study is to answer the research question, **"How can Visume reduce its employee attrition rate?"**

Information for this study was essentially collected through primary research involving interviews with CEO and survey of 15 employees. Secondary data was gathered from online sources including Visume's website, range of business management textbooks, statistics and documents directly obtained from company.

Information obtained was analysed using fishbone diagram to reveal root causes of employee attrition as ineffective training, lack of recognition and unattractive pays. Through comprehensive analysis of methods of employee retention, using various motivational theories, Visume is recommended to employ online training for employees to enhance competency, offer employees ESOP for financial motivation, utilise combination of democratic and laissez-faire leadership and improve employee recognition using employee awards and family recognition occasions, thus boosting morale.

Nonetheless, management must investigate further for possible causes of employee attrition in technology function in addition to reviewing methods of retaining employees considering small sample size for employees' survey conducted.

Introduction

Visume is a start-up providing HR solutions using cloud-based platform to ease recruitment processes for enterprises by enabling "smart hiring", involving evaluating candidates with required skills.

Incorporated in U.S, Visume's vision is growing globally[1], with current office in Delhi. It has customers from India, UK, Europe and U.S. Achieving such growth necessitates excellent customer service by offering an enticing product, highlighted in its mission, **"Visume is committed to delight and empower Human Capital Management teams with the next-generation of data-driven digital transformation tools."** (Visume) Employees are critical in driving customer experience, making it crucial for Visume to retain its performing employees, thus achieve growth.

Visume currently experiences annual attrition of 4-5 employees over 60 employees, giving an attrition rate of approximately 8%[2]. Despite being lower than industry's benchmark, it is essential to further minimise attrition being a start-up, so that well motivated and retained workforce can support Visume's objectives (Grover, Questionnaire 1 Telephonic Interview). Therefore, this study will be based on the research question, **"How can Visume reduce its employee attrition rate?"**.

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[1] Refer Appendix 2
[2] Refer Appendix 3

Methodology

Primary research was conducted through series of interviews with Mr. Grover, comprising face-to-face and telephonic interviews[3] to understand about Visume and its problem of employee attrition.

Second face-to-face meeting was performed as telephonic-interview due to lockdown from Covid19 Pandemic.

Online survey of employees[4] complemented primary research by recognising employee's viewpoints in areas like training, job-satisfaction, work environment, facilities, leadership styles and pay at Visume.

Collecting data directly from CEO provided reliable and accurate information, however financial data was not available due to confidentiality issues.

Online survey of employees provided easy access to employee's perspectives, considering Visume's location in a different city. Being a small company, sample size of employees was limited to 15 people, thus prone to biases, especially because Mr. Grover helped in distributing the survey.

Secondary data obtained comprised, statistical information like attrition rates and workforce size, Visume's website for rudimentary details and, Visume's organisational chart to understand organisational hierarchy.

Information collected via field and desk-research supported construction of fishbone diagram to analyse root cause of attrition. Relevant information also assisted in Visume's SWOT analysis[5].

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[3] Refer Appendices 2 & 3
[4] Refer Appendix 4
[5] Refer Appendix 1

Main Results and Findings

Information from Interviews with CEO:

Commercial launch of Visume	July 2018
Total number of employees	60
Customer base	India, UK, USA, Europe. Aims expansion into Australia and New Zealand.
Attrition rate	Roughly 8.0 %
Function with highest attrition	Technology function, including project managers, developers.
Hierarchy level experiencing highest attrition	Junior to mid-level
Attrition rates comparison	Industry' attrition – 10-15% on global level, 15% on national level. Start-ups attrition – 25%.
Reasons behind attrition	Pay/salary Incompetent employees unable to cope with challenges, causing demotivation.
Training methods	Coaching, mentoring
Motivational and employee retention techniques	Transparent and open environment – no bureaucracy Open communication platform

	Recognition with accolades, gratifications like lunch/dinner vouchers, paid vacation by company, flexi-timings, work from home Annual Bonus
Exit interview feedbacks	Better salary
CEO's view on offering roles to new recruits	Immediately given challenging roles based on interest areas. Develops skills of employees in early years, encouraging enthusiasm in work.
Retention plan	Open house for feedback from employees
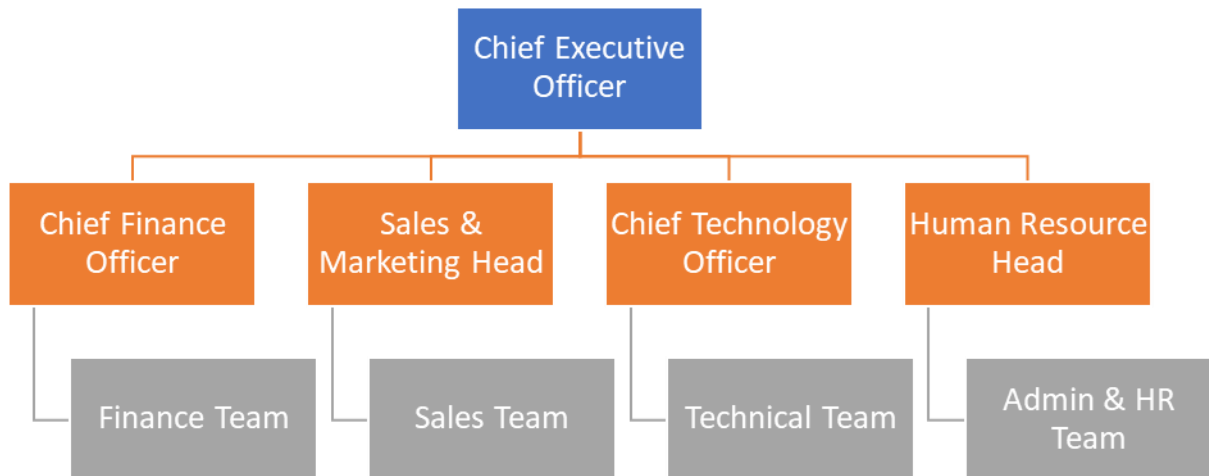
Figure 1 – Visume's Flat Organisational Structure

Information from Employees Survey:[6]

Chart 1 - What encourages you to continue working at Visume?

- ■ Work Environment and Facilities
- ■ The job itself
- ■ Leadership at Visume
- ■ The company's platform as a start-up offering growth in career

0%
39%
44%
17%

Chart 2 - What type of a leadership style do you prefer?

- ■ Autocratic
- ■ Democratic
- ■ Laissez - Faire (manager provides flexibility and responsibilities)
- ■ Paternalistic

0%
53%
47%

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[6] Refer Appendices 4 and 5

Chart 3 - What leadership style does Visume currently offer you?

- Democratic
- Autocratic
- Laissez-faire
- Paternalistic
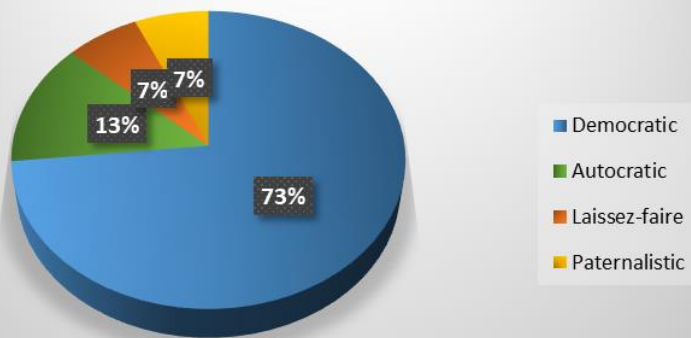
Chart 4 - What method of training would you prefer?
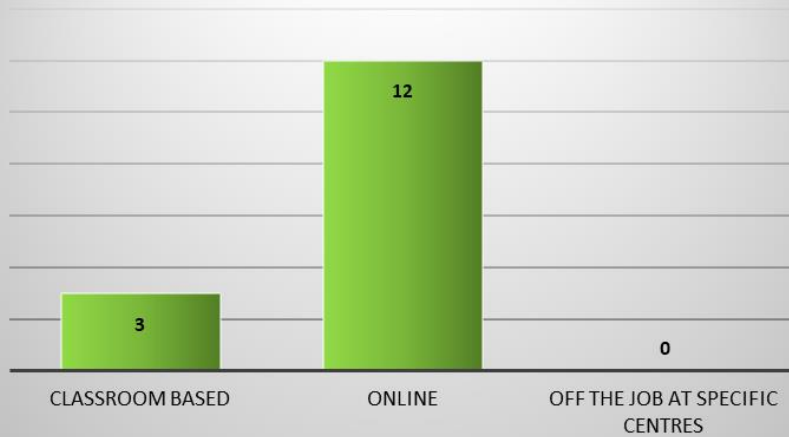
Employees satisfaction with training:

Respondent Number	Rating/10	Respondent Number	Rating/10
1	7	9	8
2	6	10	8
3	9	11	7
4	3	12	8
5	6	13	9
6	8	14	8
7	8	15	7
8	8	Average	7.33
Table 1			

Employees satisfaction with salary:

Respondent Number	Rating/10	Respondent Number	Rating/10
1	8	9	7
2	7	10	8
3	9	11	8
4	6	12	7
5	5	13	8
6	7	14	8
7	7	15	8
8	7	Average	7.33

Table 2

Chart 5 - Which level of the hierarchy do you operate in?

- Junior — 54%
- Middle-management — 33%
- Senior — 13%

Chart 6 - In what areas would you wish to see improvements at Visume?
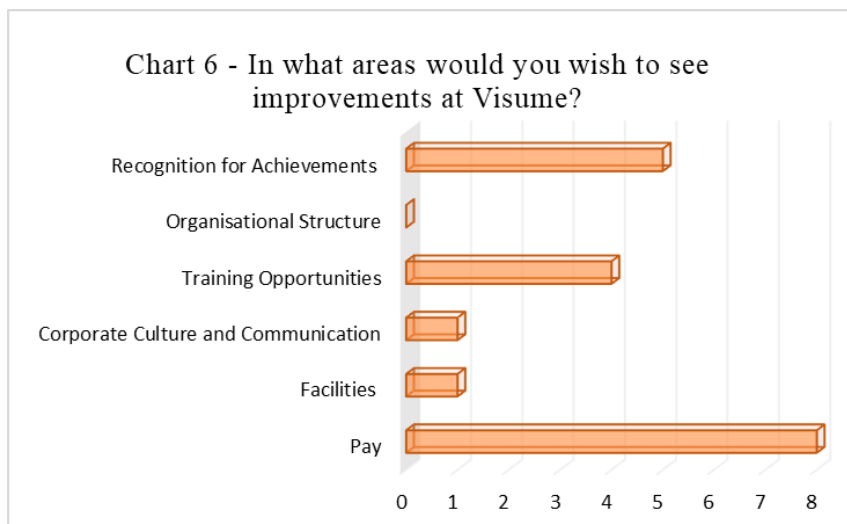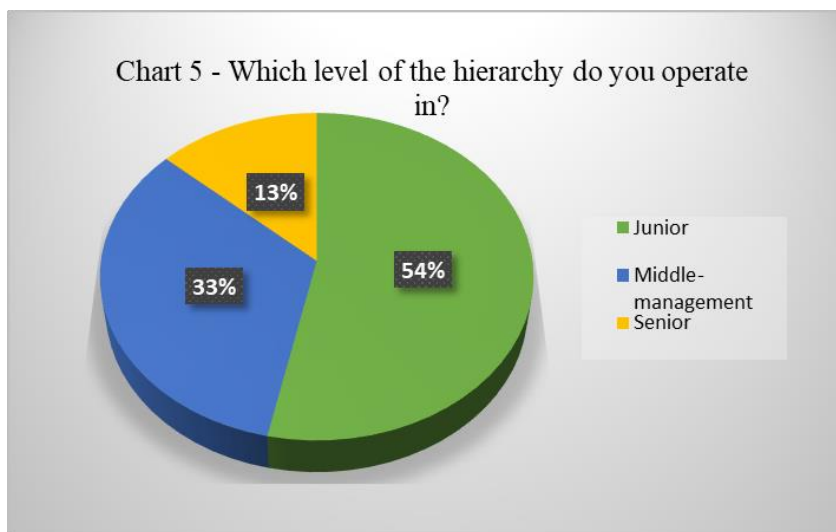
Degree of encouraging employees' retention with above improvements:

Respondent Number	Rating/10	Respondent Number	Rating/10
1	5	9	8
2	7	10	8
3	10	11	8
4	8	12	9
5	9	13	9
6	8	14	9
7	9	15	9
8	9	Average	8.33

Table 3

Respondent Number	Response	Respondent Number	Response
1	Technology	9	Marketing
2	Software Development	10	Technical
3	Sales	11	Technical
4	Business	12	Business development
5	Developer	13	Technical
6	Revenue enhancement	14	Sales
7	Technical	15	HR
8	Technical		

Table 4 – Respondent's Business Function

Analysis and Discussion

Understanding root causes of Employee Attrition at Visume:
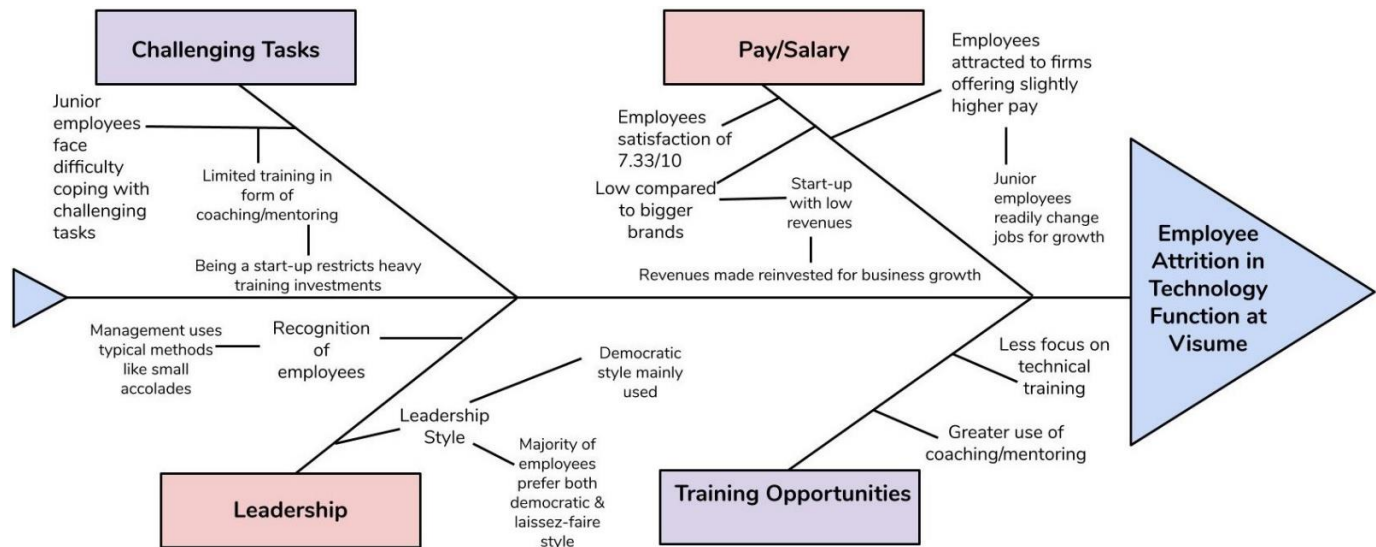
Figure 2

Using information from CEO interviews[7] and employees survey[8], above fishbone diagram was created to analyse root causes behind attrition. A fishbone diagram recognises causes behind certain effects/problems.

As determined by Mr Grover, two key reasons for employee attrition include salary and junior level employee's incompetency thus inability to cope with challenges. Furthermore *Chart 6* reveals majority of employees wish for increase in salary, better recognition, and training, leading to an average rating of 8.33/10. This defines the extent to which these improvements would encourage employees' retention. In conclusion, employees' attrition occurs due to ineffective training, lack of recognition, and salary.

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[7] Refer Appendices 2 & 3 and pages 9-10
[8] Refer Appendices 4 & 5 and pages 11-14

Figure 2 shows employees' satisfaction for pay is 7.33/10, indicating scope of improvement. Being a start-up, Visume cannot provide higher salaries. Its revenues are low and most of profits are reinvested for growth, hence pay increments cannot be given.

Junior employees face incompetency issues since training is limited to coaching with less focus on technical training in technology function, leading to a satisfaction score of 7.33/10 displayed in *Table 1*. Visume's training budget is restricted.

While employees are content with democratic leadership style, maximum employees prefer combinations of democratic and laissez-faire leadership styles. Visume uses stereotypical recognition techniques for employees' achievements like accolades and lunch/dinner vouchers, whilst employees' expectations are higher for further motivation.

Possible Solutions to reduce Employee Attrition at Visume:

Online Training

Online training could improve employees' competency at junior level. *Chart 4* indicates **80.0% employees prefer online training**, which will improve skills in technical knowledge which many employees lack. Improvised skills allow employees to manage challenging situations, keeping them motivated. Mandating regular online training for new recruits will ensure their effective performance.

Cost of online training will be affordable for Visume, having only 60 employees, thus supporting its start-up model. Online training also provides flexibility of location and time to employees. As per **Daniel H Pink's motivation theory**, Visume's employees can be intrinsically motivated by possessing accurate skills, giving them satisfaction with their work, and developing confidence for managing challenges further. This can be implemented within aspect of **"Mastery"**, allowing employees to hone their skills through training.
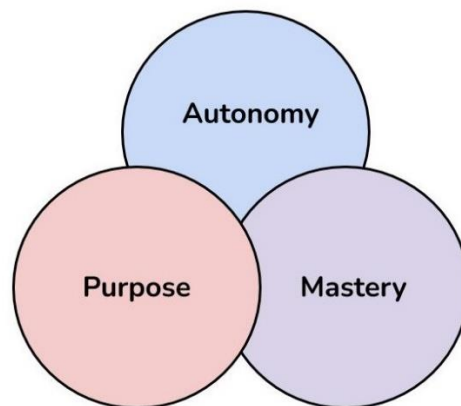

Figure 3 – Pink's Motivational Theory

Nonetheless, online training may have limitations for functions like sales and customer relations due to inability to demonstrate and practise skills. There is no personal contact

because trainees cannot interact within themselves unlike classroom training. Lastly, online modules are rigid in nature and have fixed content.

These limitations can be avoided through regular coaching by team leaders in combination with online training. Team leaders can share self-experiences to improve performance, build relations with juniors, and provide knowledge beyond defined theories. Mentoring complements **non-bureaucratic, transparent environment** at Visume along with its **flat organisational structure**, enabling easy communication between juniors and team leaders through reduced hierarchy.

<u>**Pay**</u>

Secondly, Visume can introduce **Employee Stock Ownership Plan (ESOP)** providing employees with ownership interests in the company (Ganti). This makes compensation more attractive by allocating stocks to performing employees based on predefined achievements. **53.3% of employees** hope for improvements in pay, and stocks allocation can encourage performing employees' long-term retention by acting as monetary rewards.

Rewarding employees with stock ownerships prevents immediate increases in short-term cash flow for Visume, unlike other financial incentives/salary increments, thereby suiting its abilities as a start-up. Employees' shares in company stocks, owned as possessions, can be sold in future once Visume's stocks are valuated. If Visume performs well over long-term, employees can maximise earnings through sale of stocks. Providing ownership interest at Visume can meet employees **esteem needs**, based on individuals' status, mastery, recognition, and reputation (Mcleod). Esteem needs are illustrated in **Abraham Maslow's Hierarchy of Needs**, defining different levels of individuals' needs.
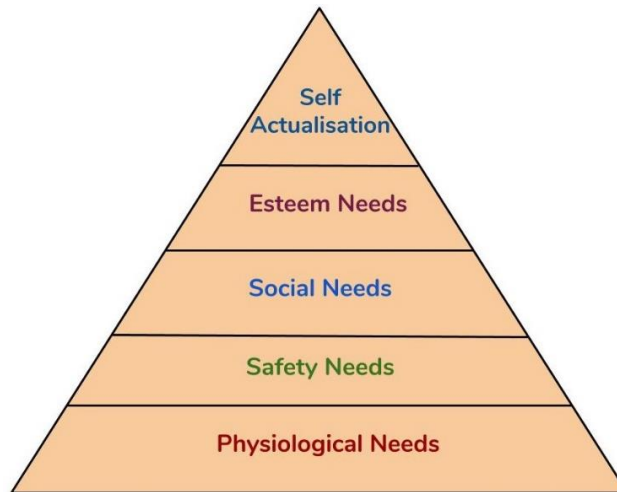
Figure 4 – Maslow's Needs Hierarchy

Employees owning stocks can be motivated when recognised by peers for efforts, also giving them satisfaction of mastery in projects. This could increase willingness of employees to continue accepting challenges, especially for juniors because it gives them growth opportunities. ESOP can be combined in use with Visume's Performance Linked Incentives for bonuses, given annually for remarkable performance.

Nonetheless, employees who are part of ESOP can only sell stocks at higher prices if Visume performs well in future. If it underperforms, stocks cannot be sold to make high money.

Recognition

Thirdly, Visume can improve employee recognition methods by introducing concepts like **"family days"** and **employee awards** since **33.3% of employees** anticipate enhancements in recognition. Events can be organised quarterly, inviting families to felicitation ceremonies for employees' notable performances like achieving targets. Company heads can also felicitate families for support given to employees. Such forms of combined employee-family recognitions synchronise with Visume's open culture and **transparent environment**.

Similarly, employees' accomplishments can be recognised monthly by placing congratulating notes for **"employee of the month"** on staff notice boards. Visible to everyone, this fosters better relations amongst employees as they are congratulated, moreover motivating other employees to be next employee of the month. This would ensure employees aim at continuously improving their performance.

Frederick Herzberg's Two-Factor Theory determines employees' motivation on two factors; hygiene-factors like salary, social relations and working conditions, preventing job dissatisfaction, and motivators like recognition, achievements, responsibility, and advancement, motivating workers to increase efforts.
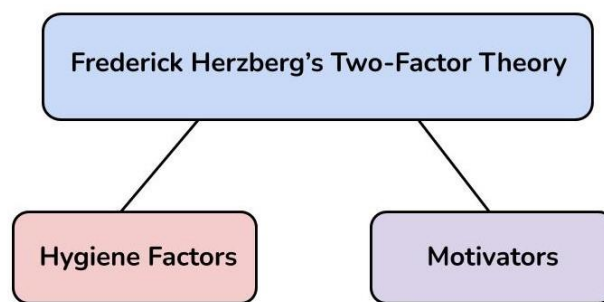

Figure 5 – Two-Factor Theory

Based on this motivational theory, Visume's management can motivate employees through improved recognition as explained above, while continuing utilisation of lunch/dinner vouchers and accolades.

<u>Leadership</u>

Lastly, *Chart 3* shows 73.0% employees saying democratic leadership is used at Visume while **53.0% of employees prefer laissez-faire leadership** and remaining **47.0% prefer democratic**, as per *Chart 2*.

Democratic leadership involves employees input in decision making process, while Laissez-Faire leadership entails employees having freedom to work using their creativity, while leaders seldom offer opinions (Carlin).

Since 47.0% employees prefer democratic style, Visume should leverage current practice, suiting its open culture environment allowing employees to freely connect with team leaders. However, considering 53.0% employees preferring laissez-faire approach, Visume could offer laissez-faire to employees wanting more space to themselves[9].

Laissez-faire suits job roles in technology function where developers can use their creativity in proposing effective solutions. Laissez-faire also matches **Visume's flat organisational structure**, which creates **wide span of control** with several subordinates reporting to one supervisor. This encourages employees to work independently because leaders cannot provide significant individual supervision.

Pink's Drive motivational theory suggests intrinsic motivation can also be brought through **autonomy** – granting employees freedom to create work environments where they prosper best; allowing employees to choose whom to work with or how to perform tasks. Laissez-faire leadership motivates employees by giving autonomy, making work more interesting and retaining them, especially juniors who can adjust challenging tasks as per their skill levels.

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[9] Refer Appendix 5, question 3.

Conclusions

Thorough examination of fishbone diagram and employees' survey responses concludes that root causes of employee attrition at Visume are insufficient training, lower pay/less financial motivation, and lastly ineffective measures for recognising employee performances.

Potential methods to reduce employee attrition, as discussed in analysis, are directly linked to employees' motivation at Visume, drawing connections to motivational theories like Pink's Drive Theory, Two-Factor Theory and Maslow's Hierarchy of Needs.

Recommendations

Based on an in-depth evaluation of potential employee retention techniques using motivational theories, the research question can be answered by recommending Visume's management to implement online training modules, introduce ESOP, and improve recognition of employees.

It is strongly recommended that Visume integrates online training modules with its current use of coaching by team leaders because 80.0% of employees desire online training and its cost effectiveness blends with Visume's start-up nature. Increasing employee competency with effective training, together with mentoring, must boost their morale and encourage retention.

It is also highly recommended that Visume uses ESOP, offering ownership interests, or similar plans presenting financial rewards to employees on long-term basis. This can help Visume retain employees but also avoid incurring immediate costs for financial rewards.

To keep employees well motivated and increase chances of retention, Visume's management must redesign recognition methods using employee awards, inviting families to felicitation ceremonies, and offering both democratic and laissez-faire leadership. These methods should

improve employee performance, simultaneously motivating them to continue working with Visume.

Nevertheless, analysis conducted was based on responses representing only 25.0% of total employees at Visume, hence it is particularly recommended for management to research further on causes for employee attrition.

Secondly, employees' attrition majorly occurs in technology function at Visume, however, not all responses collected pertained to individuals from technology function, thus results might be misleading, and management is advised to undertake comprehensive research specifically catered towards technology function employees, to understand their requirements and reasons behind employee attrition.

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Appendices

Appendix 1: Visume's SWOT Analysis

Internal Factors	
Strengths	**Weaknesses**
• Higher market presence - India and globally in few countries • Employee attrition rate is low compared to industry and start-ups in general. • Start-up platform offering growth in people's careers attracts best candidates for jobs. • Current employees give a high recommendation for Visume to friends (8.27/10)	• Employee attrition still exists at roughly 8.0% per year. • Lack of market presence in eastern Indian region and cities like Kolkata. • Employee attrition occurs mainly in technology function, which is one of the primary functions for company like Visume offering cloud-based solutions as its product.
External Factors	
Opportunities	**Threats**
• Visume can expand further overseas because of its incorporation in USA. • Post Covid19 lockdowns and restrictions, companies would prefer using cloud services for recruitment like Visume offers.	• Reduced business, i.e sale of cloud based services for recruitment, during the period of lockdown and restrictions from Covid19. • Business opportunities post lockdown due to Covid19, might be taken by larger business/brands like Oracle.

Appendix 2: Introductory Interview with CEO – Questionnaire and Transcript

1. What type of business organisation is Visume?

Visume is an HR tech software solution company.

Follow up question – Is it a limited company or a partnership or sole proprietorship?

It's an incorporated company based out of U.S. The company's name is Visume.online inc.

2. What inspired you to develop this business idea?

The previous company that I started and currently run is called Lumata Digital whose primary activity is to do digital transformations solutions, and Visume is a digital transformations and solutions for the HR function.

Follow up question – So you basically took the idea from your previous business and used it to launch a similar product?

The company Lumata does digital transformations solutions in other functions like sales, marketing, manufacturing but HR function was not touched upon which is an important function for any company and so we launched the digital transformations solutions for HR as a separate company called Visume.

3. How long did it take to implement the business plan? When did it start?

Right from conceptualising the idea to making a viable platform, it took roughly about two years.

Follow up question – So it started recently right? It started last year?

We started in 2017 beginning and launched commercially in July 2018.

4. Was this business idea market orientated or product orientated? Why?

Both actually, because there are many digital transformations solutions available in the HR domain but those solutions were not meeting the market needs so we did a market research to find the gaps in the market as to why the needs were not being met and accordingly developed the product.

5. How many employees do you currently employ?

About 60 people.

Follow up question – So is it capital intensive or labour intensive?

The initial investment in the form of financial investment can be seen as capital however going ahead since it is in the service industry, it has become more of labour intensive.

6. Which regions of India does your customer base currently exist in?

We have customers in more or less all Indian regions like north, west and south but nothing in the east, i.e Kolkata side. We do have customers in Bombay, Bangalore and Delhi, so major regions and cities have been covered.

7. Which regions in India/overseas do you wish to target and expand into?

Yes, basically we want to target the overseas market and that is the reason why it was incorporated in U.S. We have customers in UK, Europe and US and we are also looking at customers coming in from Australia and New Zealand.

8. Has your company made any profits since its inception?

Actually, whatever profits are made are put back into the business as a reinvestment, so we haven't made any profits for the distribution of dividends per se but yes the company is earning and doing well and whatever is being earned is being reinvested.

Follow up question – So you basically do not have any retained profits for other purposes right?

Yes.

9. Which stage of the product life cycle does your HR solutions service exist in?

The specific solution that we are talking about is in the maturity stage because it is a full-fledged solution. As far as the business is concerned, it is in a growth stage because it has been recently launched in 2018.

10. What marketing strategies do you currently use to promote your product?

So we participate in industry related events, we do close user group conferences, we use social media to promote our HR service, we do emailing campaigns to the prospective users and face to face meetings with customers.

11. Who are your competitors and how do you plan to tackle them?

There are many competitors like SAP, Oracle, Italio and ICMF. And I call these companies as competitors because the module and services they offer do not make their customers happy, so we plug in our solution along with their solution so that even if customers have invested in the competitors solution their investment is protected when we plug in our minimal cost solution. So instead of replacing our competitors we work with them to complement them.

12. What are the different functional departments in your company? Which department do you think must have the most focus and attention currently?

We have all the functions that normal companies have like administration, HR, marketing, sales, product development, customer services and finance. And its about all the functions coming together and addressing the nuances of the market.

<u>Follow up question</u> – But, as you said, your business as a whole is in the growth stage so the marketing department must get more attention so that the business can be promoted and become recognisable?

Yes, focus on the marketing department is very high and plays an important role in terms of spreading awareness to the target customers.

13. Were any problems encountered initially when setting up this startup?

Yes, there are always challenges when setting up, firstly you have to isolate one idea from a variety of ideas and do a research and see how the market is responding to that research. Then there are logistical challenges because you have registered a company in the U.S sitting in India so you must find out be familiar with the country laws and similar administrative challenges.

14. Does your company currently face a problem to be solved?

There are always some problems that you have to face for example when the key people of your company leave and you have to quickly find a replacement, and being in the IT

industry there is a lot of churn that happens. Finding the right customers and following them up sometimes can be time consuming.

Follow up question – Are any of these problems a major focus for example you as you mentioned many people leave the company, is it quite frequent or only once in a while?

It's a continuous process and not once in a while because in the IT industry the churn level is very high so you must keep you pipeline ready for a replacement and is especially more frequent for small companies. So we keep our employees well motivated through methods like flexibility by working from home and flexi timings and giving decent bonuses and salaries.

15. **Is your company in the process of/planning to make a new major decision? For eg – expansion into new markets, launching a new service, employing more staff, introducing and investing in new technology?**

We are planning to make some major decisions like expanding into new markets by trying to attract investors for funds to expand.

Follow up question – So the area you are looking to expand into is the overseas market right?

As we are an overseas company, expansion into those markets is a major decision. Since it is a cloud based solution we can expand into new regions overseas virtually but we do have to visit the customers in person.

Appendix 3: Questionnaire 1 – CEO

1. **How many employees leave your company on an average in a month/year?**

On an average, 4-5 people leave our company in a year. It is difficult to give for a month because it is very less comparing to 4-5 people in one year.

2. **Is it that a greater proportion of employees leave from a particular business function in your company or is employee attrition more or less similar in all business functions?**

Maximum attrition is from the technical side because we are a technology company.

Follow-up question – So which business function do these technical people fall under?

The technology function where technical people like developers and project managers contribute to the success of the company.

3. **Do you conduct exit interviews with the employees leaving the company to get a feedback on reason for their resignation?**

Yes, we do.

4. **Do you see more of high performing employees leaving your company or bottom performing employees?**

It's a mix of both, when bottom performing employees are challenged, they tend to leave because they don't like to take challenges, however it is mostly a mix of both types of employees leaving.

5. **Does employee attrition happen at the senior or junior level?**

Most of the time, its on the junior to mid-level, senior level is very less.

6. **Does the employee attrition rate of your company match the attrition rate of the industry in which you operate or the attrition rate of start-ups?**

Our attrition rate is very less compared to the industry which has attrition rate of 10-15% at a global level. For the IT industry in India, attrition rate is somewhere around 15%, and as far as start-ups are concerned, it is around 25%.

Follow-up question - How do you make sure your company's attrition is lower than that of the industry?

Basically, when we hire people, we try giving them realistic challenges as compared to other companies. Big companies usually give entry level employees support functions, but we directly assign them challenging roles depending on their interests because young employees, coming directly from college have the hunger to prove themselves by taking challenging roles. This helps them learn and develop skills during the early years, hence making our attrition lower.

7. What do you think are the reasons for employee attrition in your company?

Most of the time, the reasons are two-fold. One is the salary, monetary part. Specifically, for the junior level, if any other company offers them a small increment, they tend to leave. For example, for an increment from Rs 30,000 monthly to Rs 35,000 monthly, so that is an interesting proposition for them.

Second kind of attrition happens when you challenge people and people who are not able to cope with challenges tend to leave. Mostly it is money but secondly incompetence also comes into the picture.

Follow-up question – Can one of the reasons for employee attrition also be a lack of motivation or is it just these two reasons?

In our company, we haven't seen motivation as a challenge unless the people are incompetent and not geared up to take challenges. Most of the time it is money.

Follow-up question – If the employees find themselves incompetent, so how do you motivate them? Do you provide some type of training?

We keep on giving them regular coaching and mentoring through their team leaders, because these employees usually tend to be junior level, and still if they are incompetent, they are taught how to address the challenging scenarios.

They are given KPI's[10] to be met every month and their scoring happens based on the KPI's. Even after coaching and mentoring, their skills do not improve, they start getting

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[10] Key Performance Indicator

frustrated and their motivation levels fall, which one cannot help because it is a two-way treat, you can't keep motivating people, they have to get motivated as well.

Follow-up question – Do you think the size/brand of your company impact employee attrition?

Yes, that is one of the reasons as well. If someone is working for our company, which is fairly a new brand and a start-up more or less, and they get an offer from some big company like Google or Amazon, they will definitely look towards going for a big brand.

8. Are you able to retain your employees post their resignation and if yes how so?

If someone resigns, we normally do not tend to retain them because if they have resigned, they have made up their mind to leave, unless the reason is from the behavioural side of the organisation.

If it is mostly from the salary or position point of view, we let them go.

Follow-up question – What if the employees who leave are high performing and highly skilled? What if you lose them to your competitors?

As I said if the employees have made their mind and unless the reason is that some injustice was done to them because of which they plan to resign, we try to sort it out. But if it's purely a money reason we let them go because skills are not static, they keep on improvising and new people who are hired, if they have the right temperament they can build up the skills very quickly.

9. What employee retention techniques does your company currently utilise to prevent employee attrition?

We keep the environment very open, there is no bureaucracy in the environment. If someone has to talk to anyone they don't need to seek appointments, so there is no fear in terms of talking to your superiors or your peers, it's a very open communication platform that we have created in our company.

We believe when you are transparent to your team members, it helps in building trust in them and vice-versa.

10. Are there any specific motivation strategies utilised by your company to motivate employees?

We review employees regularly on a monthly basis. If they are doing good, we normally give them a pat on the back with some accolades and at time small gratification in terms of offering them a lunch/dinner voucher or sending them out for a paid vacation from the company.

If they are not doing the work properly, we continue coaching them so that they learn from their mistakes.

11. Is there any structured program for this?

No, there is no structural program. In a way, our performance management system says it all because it is a very objective based performance management system where every month employees are rated on the kind of work they do.

This could be the guidelines for measuring the performance of the employees on monthly basis and give them a figure for their performance, which could be a 70%, 80%, 100% or 120% in that particular month. This can be one of the structural programs.

<u>Follow-up question</u> – Do you give bonuses to the high-performing employees?

Basically, we have two ways. One is a performance linked incentive, which we call a PLI. It is given on an annual basis but if it is a very special project performance that they have done then we do it during the project as well in terms of giving them a bonus or some kind of gratification.

<u>Follow-up question</u> – So is a performance linked incentive given only to the highly performing employees to recognise their work or is it given to all the employees in terms of what they have done or how they have performed?

For every employee in the company, they have two components; one is a fixed component and one is a variable component.

The variable component comes from performance, for example, your salary is Rs 100, out of which Rs 80 is fixed and Rs 20 is performance linked. If in the whole year your performance is 80% then you get 80% of 20 rupees and this is applicable to all depending on what kind of performance they are displaying and this is measured/reviewed monthly but is sort of calculated on a yearly basis.

12. Do the motivational strategies help in boosting employee productivity and/or quality of work?

I will not be able to say that for sure because you need to have comparative data but what I have seen is that when you provide them a transparent ecosystem where everything is on a piece of paper, you can see how you are performing and growing and how your increments are linked to your performance, that according to me should give them a very clear idea of whether they are performing good and getting increments or whether they need to improvise.

It usually works for us because our people who left us, also at times come back to us and say that we have done a lot, so that is a very satisfactory response that we get from them because at times they want to come back as well.

Follow-up question –What is the usual feedback that you get from your employees during exit interviews?

Most of the time, they claim to have gotten a good job in terms of salary, sometimes they say that there are some personal reasons and wish to leave. Exit interviews are just a formality that you as a company would want to do and identify the reason but everyone doesn't give you the real reasons why they are leaving.

Follow-up question – Can you ask your employees to be more honest, perhaps by creating a certain comfortable atmosphere?

We try to create such an environment, but usually they consider it as a formality and give any random reason for their resignation. Since they have made up their mind to leave, getting honest answers from them is something beyond our control.

13. How do you keep improving your hiring and retention plan?

For hiring, whenever we recruit candidates, we not just look into their resume but also their attitude and aptitude for the work, because skills can be easily developed if the person has the intentions to do it.

As far as retention is concerned, like I said we try to keep our office environment open and transparent, to build a trust with them. We conduct regular open-houses where

employees can give feedback and their views which would not only help to improve the work-environment for them but also help to grow the company.

14. Do you see a certain type of employee staying longer in your company as compared to others?

No, there is no hard and fast rule around that.

Appendix 4: Questionnaire 2 – Employees Survey

1. What encourages you to continue working at Visume? (multiple options)
   a) Work environment and facilities provided
   b) The job itself
   c) Leadership at Visume
   d) The company's platform as a start-up which offers growth in your career

2. How would you rate the work environment at Visume? (10-point rating; 1 being least and 10 being highest)

3. What other facilities would you prefer at the workplace? (open-ended)

4. What type of a leadership style do you prefer?
   a) Autocratic
   b) Democratic
   c) Laissez-faire – manager provides flexibility and responsibilities
   d) Paternalistic
   e) Other – please specify

5. What leadership style does Visume currently offer you? (open-ended)

6. What type of training opportunities are currently offered to you? (open-ended)

7. What type of training opportunities would you prefer when given a choice? (open-ended)

8. What method of training would you prefer?
   a) Classroom based
   b) Online
   c) Off the job at specific centres

9. How satisfied are you with the training provided to help you meet your work challenges and improve your skills? (10-point rating)

10. Do you have the zeal to accept new challenges/tasks given to you?

   a) Yes

   b) No

   c) Depends on the difficulty of challenge/task and my skills

11. What type of challenges/tasks do you usually have to perform? (open-ended)

12. What type of challenges/tasks would you be willing to undertake if given a choice? (open-ended)

13. Does the current level of training and development offered to you help you meet and exceed your current work performance?

   a) Yes

   b) No

14. How satisfied are you with the pay you receive at Visume? (10-point rating)

15. In what areas would you wish to see improvements at Visume? (multiple)

   a) Pay

   b) Facilities

   c) Corporate culture and communication

   d) Training opportunities

   e) Organisational structure

   f) Recognition for achievements

16. To what extent would these improvements, if brought about, encourage your retention at Visume? (10-point rating)

17. How strongly would you recommend your friends to join Visume? (10-point rating)

18. Which business function do you belong to in the company? (open-ended)

19. Which level of the hierarchy do you operate in?

a) Junior

b) Middle management

c) Senior

20. Since how many years have you been working at Visume?

    a) 1

    b) 2

    c) Other – please specify

Appendix 5: Employees Survey Responses

Question 1)
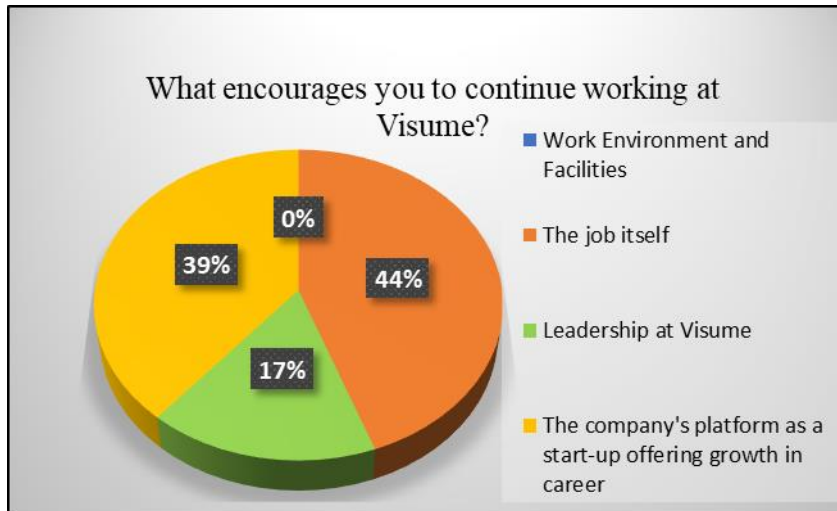
Question 2)

Respondent Number	Rating/10	Respondent Number	Rating/10
1	8	9	8
2	8	10	8
3	10	11	8
4	8	12	8
5	7	13	8
6	8	14	8
7	8	15	8
8	8	Average	8.07

Question 3)

Respondent Number	Response	Respondent Number	Response
1	NA	9	Office space
2	Canteen and recreation room	10	Office space
3	Eating facility is required which should be separate with respect to working space.	11	Space
4	Flexibility to WFH.	12	Office space
5	Facilities wise I am ok.	13	Canteen
6	More spacious office OR more space to oneself	14	Big office
7	Nothing Specific	15	Canteen
8	Office space		

Question 4)
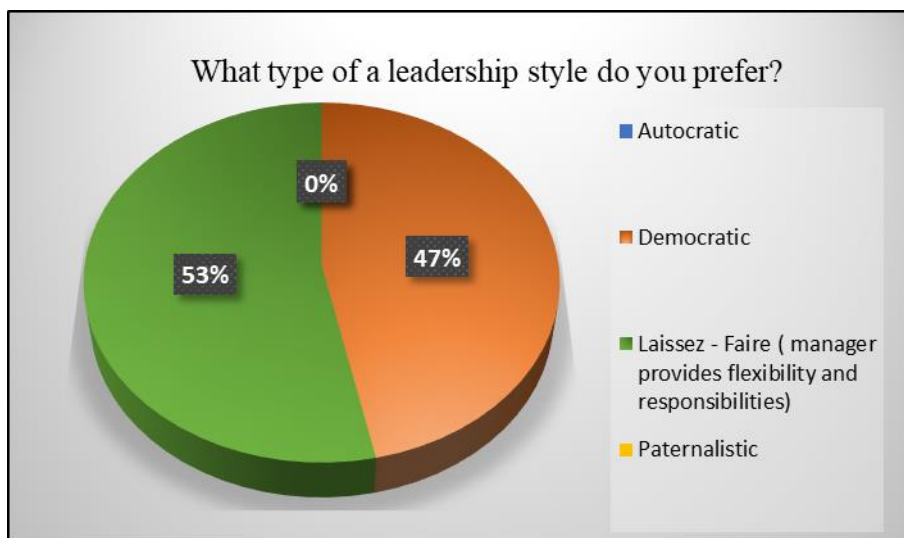
Question 5)

What leadership style does Visume currently offer you?
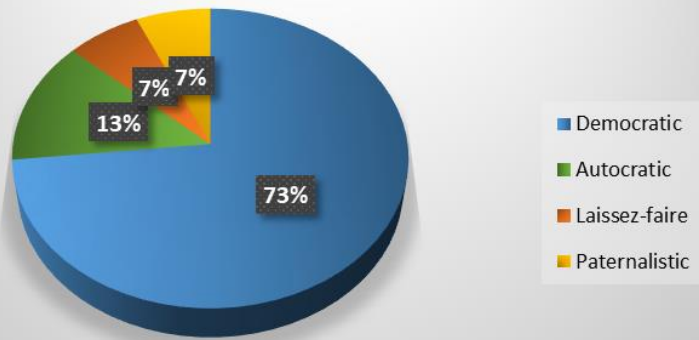
Question 6)

Respondent Number	Response	Respondent Number	Response
1	Self-learning	9	Business Development
2	Learn on your own	10	Technical
3	Product team supports in any query/feedback.	11	Technical
4	Knowledge sharing session to keep us and team updated with latest topics.	12	Sales
5	Internal training has been done on some topics.	13	Online technical
6	Can avail this if I wish to.	14	Sales training
7	Technical training	15	HR
8	Technical		

Question 7)

Respondent Number	Response	Respondent Number	Response
1	Self-learning	9	Product
2	Classroom training	10	AI
3	Technical training on aspects of product - helps when discussing with clients and leaves positive effect on potential customers.	11	Technical
4	Agile and AWS	12	Sales and business development
5	Technical training on new topic	13	AI and robotic
6	Digital marketing and social media management with the help of software tools.	14	Large deal closure
7	AI based training	15	HR training
8	AI based technical training		

Question 8)

What method of training would you prefer?

CLASSROOM BASED: 3 ONLINE: 12 OFF THE JOB AT SPECIFIC CENTRES: 0
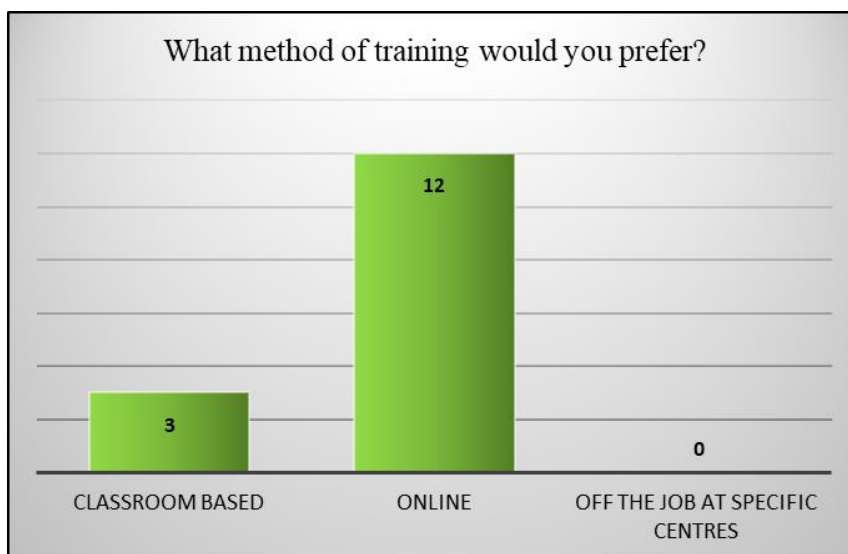
Question 9)

Respondent Number	Rating/10	Respondent Number	Rating/10
1	7	9	8
2	6	10	8
3	9	11	7
4	3	12	8
5	6	13	9
6	8	14	8
7	8	15	7
8	8	Average	7.33

Question 10)

Question 11)

Respondent Number	Response	Respondent Number	Response
1	Selling	9	Business development
2	Software development with very high QA scores	10	Project based
3	Managing whole cycle from generating leads to discussion to demo to commercial proposal to closing deal to post-sales support.	11	Project based
4	Managing delivery quality and time with limited expertise available within team for some domain or technology. Keeping team motivated and effective communication within team.	12	Closing of orders
5	Visume is an ongoing project, giving us new challenges to perform.	13	Project based
6	Business Development and sales	14	Sales closure
7	Project based	15	Recruiting and motivating employees
8	Development		

Question 12)

Respondent Number	Response	Respondent Number	Response
1	Any	9	Sales
2	Software development with relaxed outcomes	10	Project based
3	Apart from Visume started concentrating on DiGi Engage, accepting new challenge with support is very much workable.	11	Project based
4	Tasks which will help in improving my skills.	12	Large business deal closure
5	Anything which comes in my work profession.	13	Project based
6	Any- from R&D to collections.	14	Large deal closure
7	Development based project	15	HR related
8	Development		

Question 13)

Question 14)

Respondent Number	Rating/10	Respondent Number	Rating/10
1	8	9	7
2	7	10	8
3	9	11	8
4	6	12	7
5	5	13	8
6	7	14	8
7	7	15	8
8	7	Average	7.33

Question 15)
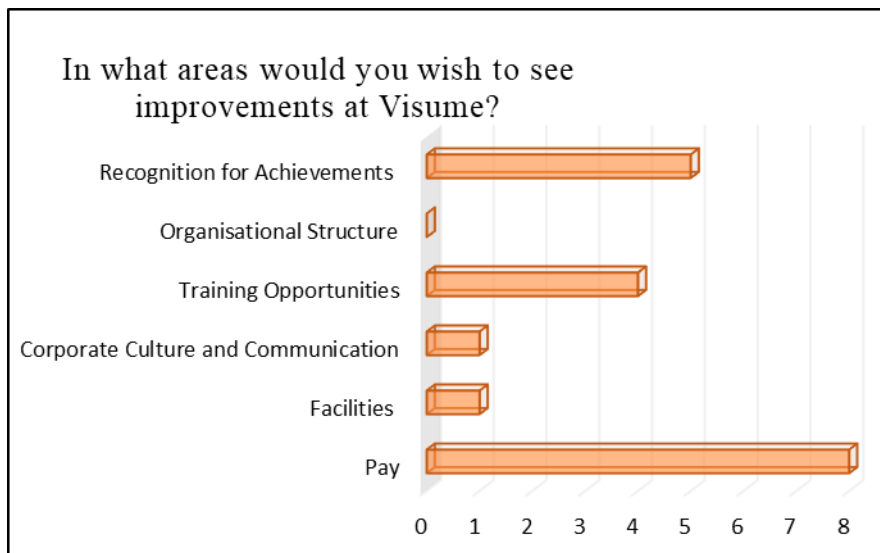
Question 16)

Respondent Number	Rating/10	Respondent Number	Rating/10
1	5	9	8
2	7	10	8
3	10	11	8
4	8	12	9
5	9	13	9
6	8	14	9
7	9	15	9
8	9	Average	8.33

Question 17)

Respondent Number	Rating/10	Respondent Number	Rating/10
1	7	9	8
2	7	10	8
3	10	11	8
4	10	12	8
5	8	13	9
6	8	14	9
7	7	15	9
8	8	Average	8.27

Question 18

Respondent Number	Response	Respondent Number	Response
1	Technology	9	Marketing
2	Software development	10	Technical
3	Sales	11	Technical
4	Business	12	Business development
5	Developer	13	Technical
6	Revenue enhancement	14	Sales
7	Technical	15	HR
8	Technical		

Question 19)

Question 20)

Respondent Number	Response	Respondent Number	Response
1	2	9	1
2	2	10	1
3	7 months	11	1
4	2	12	2
5	1 and a half year	13	1
6	2	14	1
7	2	15	2
8	2		